StanChart to sell MetLife's insurance products

STAR BUSINESS DESK

Standard Chartered has become the first multinational bank in Bangladesh to sign a bancassurance agreement with MetLife, enabling the bank to sell MetLife's insurance solutions to its retail customers.

Naser Ezaz Bijoy, chief executive officer of Standard Chartered Bangladesh, and Ala Ahmad, chief executive officer of MetLife Bangladesh, inked the deal recently, the bank said in a press release.

This partnership will play a significant role in creating awareness about insurance and positively contribute to the overall economic progress of the country.

"Two financial institutions have shown tenacity with other financial institutions to bring bancassurance with the support of Bangladesh Bank, the Insurance Development and Regulatory Authority and finance ministry to offer a more financially protected future for clients of the banking sector," Naser said.

Besides, it will help build a stronger financial ecosystem in Bangladesh, he added.

"Through our strategic partnership with Standard Chartered Bank, we aim to provide the people with wider and more efficient access to MetLife's insurance solutions," Ahmad said.

Naser Ezaz Bijoy, chief executive officer of Standard Chartered Bangladesh, and Ala Ahmad, chief executive officer of MetLife Bangladesh, exchange signed documents of an agreement in Dhaka recently. PHOTO: STANDARD CHARTERED

Selim RF Hussain, managing director and CEO of BRAC Bank PLC, and Farzanah Chowdhury, managing director and CEO of Green Delta Insurance Company Ltd, exchange signed documents of an agreement at the latter's head office in Dhaka recently. PHOTO: BRAC BANK

BRAC Bank to sell Green Delta's insurance products

STAR BUSINESS DESK

BRAC Bank recently signed a three-year bancassurance agreement with Green Delta Insurance Company Ltd, enabling the bank's customers to purchase a range of non-life insurance products of the insurer directly through the lender.

Selim RF Hussain, managing director and CEO of the bank, and Farzanah Chowdhury, managing director and CEO of the insurer, inked the deal at the latter's head office in Dhaka, the bank said in a press release.

Under this agreement, customers can access products like health insurance, motor insurance, crop insurance and travel insurance across the bank's extensive network.

"This bancassurance collaboration is not just a business venture; it is a commitment to the economic empowerment of our people. By integrating banking with insurance, we are revolutionising Bangladesh's financial landscape and fortifying our nation's journey towards a Smart Bangladesh," Hussain said.

Eastern Bank strikes MoU with CPDL

STAR BUSINESS DESK

Eastern Bank PLC recently signed a memorandum of understanding (MoU) with CPDL, a Chattogram-based real estate company.

M Khorshed Anowar, deputy managing director and head of retail and SME banking of the bank, and Ziaul Hoque Khan, chief business officer of the realtor, inked the MoU at the former's head office in Dhaka, read a press release.

Under the MoU, the bank will offer home loan propositions to customers purchasing property from the realtor.

Among others, Syed Zulkar Nayen, head of business of the bank, and Md Zahed Chowdhury, head of retail asset, and Eftikher Uddin Chowdhury, general manager for Dhaka operation of the realtor, were also present.

M Anis Ud Dowla, chairman of ACI Formulations Ltd, presides over the company's 27th annual general meeting, which was held virtually recently. PHOTO: ACI FORMULATIONS

M Khorshed Anowar, deputy managing director and head of retail and SME banking of Eastern Bank PLC, and Ziaul Hoque Khan, chief business officer of CPDL, exchange signed documents of a memorandum of understanding at the former's head office in Dhaka recently. PHOTO: EASTERN BANK

ACI Formulations declares 25% cash dividend

STAR BUSINESS DESK

ACI Formulations Ltd has declared a 25 percent cash dividend for the year that ended on June 30 this year.

The approval was given at the company's 27th annual general meeting (AGM), which was held virtually recently, the company said in a press release.

M Anis Ud Dowla, chairman of the company, presided over the meeting, where audited financial statements together with reports of the directors and auditors of the company were also approved by the shareholders.

Shusmita Anis, managing director of the company, highlighted a slew of the salient features of the business and addressed issues raised by the shareholders.

She expressed gratitude to all stakeholders for their co-operation and acknowledged the contribution and efforts of the employees of the company and thanked them.

Dollar sees first yearly loss since 2020

REUTERS, *New York/London*

The dollar edger higher on Friday but is set to end 2023 with its first yearly loss since 2020 against the euro and a basket of currencies, on expectations the US Federal Reserve will begin cutting rates next year as inflation moderates.

Questions for 2024 will be when the Fed begins cuts, and whether the first rate reduction is made to avoid over-tightening as inflation drops, or due to slowing US economic growth.

With markets already pricing in aggressive cuts, debate is also focused on how much further the dollar is likely to fall.

"We've already weakened quite a bit in anticipation of a Fed cut cycle to come," said Brad Bechtel, global head of FX at Jefferies in New York.

The dollar's decline accelerated after the Fed adopted an unexpectedly dovish tone and forecast 75 basis points in rate reductions for 2024 at its December policy meeting.

Markets are pricing in even more aggressive cuts, with the first reduction seen likely in March and 158 basis points in cuts expected by year-end.

The Fed's tone contrasted with other major central banks, including the European Central Bank (ECB) and Bank of England (BoE), which maintained they will hold rates higher for longer.

But "I do think they will capitulate. European growth is just struggling too much and inflation's coming down relatively fast ... same in the U.K. in many ways," said Bechtel. "If all three central banks are cutting, it's going to be very hard for the dollar to weaken significantly."

Against a basket of currencies, the greenback on Friday gained 0.13 percent to 101.32 , rising from a five-month trough of 100.61 reached on Thursday. It is on track to lose 2.10 percent this year and is down 4.62 percent this quarter, the worst performance in a year.

The euro dipped 0.19 percent to $1.1040, hovering just below a five-month peak of $1.11395 reached on Thursday. It is heading for a 3.04 percent gain for the year, its first positive year since 2020.

"Markets are looking for a cut earlier in the US and are less certain that the European Central Bank will cut as quickly, so that's why the dollar is very soft," said Niels Christensen, chief analyst at Nordea.

PRICES OF KEY ESSENTIALS IN DHAKA CITY

	PRICE (DEC 30, 2023)	% CHANGES FROM A MONTH AGO	% CHANGE FROM A YEAR AGO
Fine rice (kg)	Tk 60-Tk 70	-1.46 ↓	1.50 ↑
Coarse rice (kg)	Tk 48-Tk 50	-3.92 ↓	0
Loose flour (kg)	Tk 45-Tk 50	0	-20.83 ↓
Lentil (kg)	Tk 105-Tk 110	3.28 ↑	-10.00 ↓
Soybean (litre)	Tk 155-Tk 160	3.28 ↑	-10.00 ↓
Potato (kg)	Tk 55-Tk 65	37.93 ↑	215.79 ↑
Onion (kg)	Tk 85-Tk 100	-17.78 ↓	122.89 ↑
Egg (4 pcs)	Tk 42-Tk 45	8.75 ↑	19.18 ↑

SOURCE: TCB

Islami Bank honoured with National Expatriates Day award

STAR BUSINESS DESK

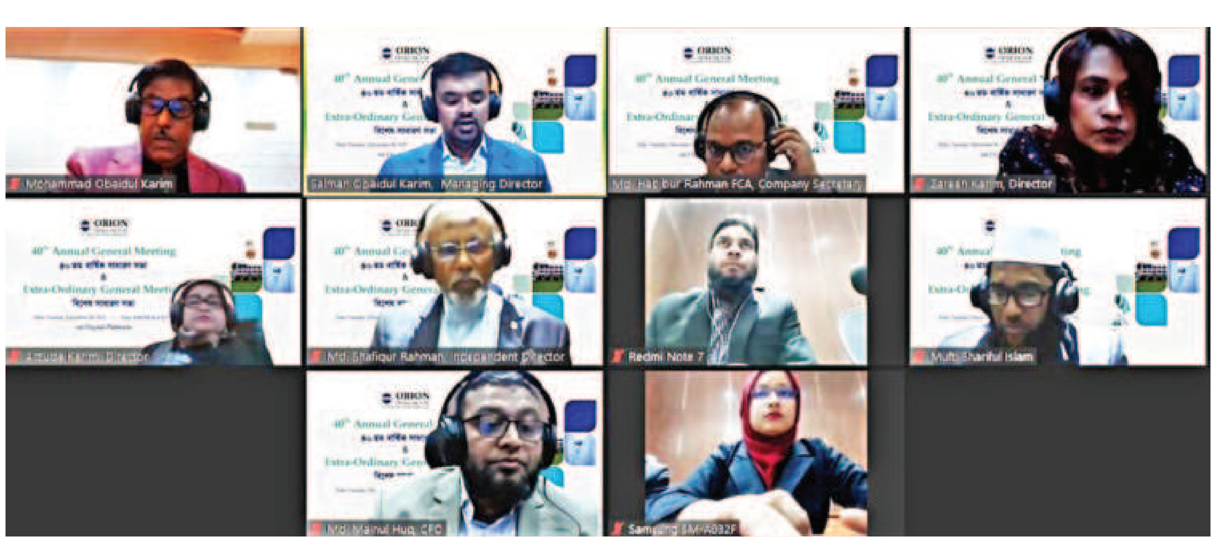
Islami Bank Bangladesh PLC has been honoured by the Ministry of Expatriates' Welfare and Overseas Employment for the highest remittance collection and significant contribution to expatriate services.

Imran Ahmad, minister for expatriates' welfare, handed over a crest to Mohammed Monirul Moula, managing director and CEO of the bank, at the Bangabandhu International Conference Centre in Agargaon, Dhaka yesterday, read a press release.

The ministry honoured a slew of financial institutions for their contributions to expatriate services to mark 'National Expatriates Day-2023'.

PHOTO: ISLAMI BANK BANGLADESH

Mohammed Monirul Moula, managing director and CEO of Islami Bank Bangladesh PLC, receives an award from Imran Ahmad, minister for expatriates' welfare, at Bangabandhu International Conference Centre in Agargaon, Dhaka yesterday.



Mohammad Obaidul Karim, chairman of Orion Infusion Ltd, presides over the company's 40th annual general meeting (AGM), which was held virtually recently. PHOTO: ORION INFUSION

Orion Infusion declares 10% cash dividend

STAR BUSINESS DESK

Orion Infusion Ltd has announced a 10 percent cash dividend for the year that ended on June 30 of the current year.

The approval was given at the company's 40th annual general meeting (AGM), which was held virtually recently, according to a press release.

Mohammad Obaidul Karim, chairman of the company, presided over the meeting, where audited financial statements of the company were also approved by the shareholders.

Among others, Salman Obaidul Karim, managing director of the company, Arzuda Karim and Zareen Karim, directors, Md Shafiqur Rahman, independent director, Md Habibur Rahman, company secretary, and Md Mainul Huq, chief financial officer, were also present.

Challenges, responses and beyond

FROM PAGE B1

Furthermore, the experience has not been utilised to formulate strategies for increasing the resilience of the low-income people to such shocks.

Several wrong policies were adopted and pursued despite their obvious shortcomings.

They include: (i) keeping the exchange rate fixed when economic fundamentals warranted adjustments, (ii) putting caps on interest rates on deposits and lending, thereby providing wrong signals to economic actors, (iii) raising administered prices (e.g., of petroleum products and electricity) at a time when the monster of inflation was already raising its head, (iv) not making proper assessment of supply of and demand for key commodities and arranging their timely imports, and (v) not making appropriate use of tariff policy to counter the price effects of currency depreciation and to provide competition to domestic producers.

Economic challenges in 2023 and initiatives taken by the authorities

The policies mentioned above eventually became self-defeating as was apparent when the economy started to face multiple challenges on the macroeconomic front. Private investment remained sluggish, and the competitiveness of exports started to erode.

The overvalued currency discouraged remittance flow through formal channels and encouraged capital flight from the country. The result was a sharp deterioration in the external account of the country.

What happened after that is well-known to informed readers. Multiple challenges include sharp erosion of the foreign exchange reserve, stagnation in remittance flows, rising inflation, return of power shortage – to name a few.

While the initial response of the government (e.g., controlling imports) was halting and half-hearted at best, the quick-fix of a loan from the International Monetary Fund (IMF) was adopted to salvage the situation.

The loan came with a plethora of conditions that included measures like withdrawing limits on interest rates, and making the exchange rate flexible – precisely the measures that were being recommended by independent specialists and the government was refusing to adopt.

However, up to now, only half-hearted measures have been adopted to meet the conditions. For example, the caps on deposit and lending rates have been withdrawn, but the exchange rate has not been unified. The gaps between the official exchange rate, the market rate and the rate at which remittances are converted have grown wider – thus encouraging the use of unofficial channels for remittances.

How do you look at 2024?

The new year would provide the policymakers an opportunity to make a new beginning. But that opportunity will have to be used quickly and effectively if further deterioration of the economic condition is to be avoided. The first task would be to fix the macroeconomic imbalances that have been acting as a brake on the economy for more than a year now.

The exchange rate will need to be fixed correctly without any further delay. The IMF is now suggesting the use of "crawling peg" method. However, in applying the method, it needs to be ensured that an environment of "depreciation expectation" is not created, because that will hold back the return of export earnings and a smooth flow of remittances through formal channels.

To fight inflation, action will be needed on multiple fronts.

If interest rate is raised, its impact is likely to come with a time lag. During the interim period, supply side interventions will be needed, especially for items that are sensitive to price fluctuations.

Advance estimation of import requirements, and better planning and implementation of imports are essential. Measures should be undertaken to protect the poor from the adverse effects of inflation, e.g., by bringing more people and more items in the government's open market sales programme and augmenting their supplies.

Stabilisation measures like raising interest rate and correcting the exchange rate are likely to be associated with growth moderation. When economic growth falters, the employment and labour market situation is likely to become more precarious.

With wage growth already behind inflation rate for quite some time and the ominous prospect of inflation remaining high for a prolonged period, the plight of the poor and low-income people is almost certain to worsen. Concrete measures are needed to provide them protection. A policy of adjustment with the human face should be pursued.

The author is an economist and former special adviser to the employment sector, International Labour Office, Geneva.

Time ripe to own

FROM PAGE B1

Markets adjusted to the higher transaction costs of trading at prices different from the de jure prices set by the regulators in the foreign exchange and financial markets.

The evidence so far on how these policies fared confirms the a priori textbook like predictions.

The economy at the close of 2023 is notably weaker. Inflation could not be tamed, the external bill payments remained problematic, transaction costs in foreign exchange trade increased, remittances through formal channels crashed, private short-term external debt rollovers turned red, forex reserves reached new lows, and non-performing loans sloped up.

Cat and mouse games gained new life with market policing based on superficial market intelligence. Rationing tilted the playing fielding towards the connected.

One hopes the long overdue policy corrections will not procrastinate on the assumption that the global headwinds will fade sooner rather than later. This assumption did not serve us well in 2023. The time is ripe to own up to the weaknesses of our unorthodox policy models and frameworks.

The author is an economist